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Freeing up federal lands

By Chris Cannon

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Tucked away on page 328 of President Bush's 2006 budget proposal is an initiative to review federal lands in the District of Columbia to determine whether any would be better utilized by the District. This is a welcome development in a city whose growth has been stunted by a wide-ranging federal presence. I applaud the president for initiating an inventory of surplus federal land to be taken over by the District or the private sector. Especially in the private sector, such real estate can produce jobs and generate tax revenues for the District.

But the inventory should not stop at the District's borders. The same federal land inventory is needed nationwide.

The federal government owns more than 670 million acres, almost one-third of the land in the America. What is not known is whether that land is being put to its best use. In September 2003, the General Services Administration identified more than 5.1 million acres of federal land as "vacant" with no federal purpose. The Bureau of Land Management alone has more than 3 million acres that have been identified as surplus and suitable for disposal. Furthermore, the General Accountability Office has found that the federal government owns hundreds of thousands of real property assets worth hundreds of billions of dollars which are no longer consistent with agency missions and are no longer needed. Many of those assets are in an alarming state of neglect and disrepair. GAO also found that little is known about this property.

Federal ownership often carries unintended consequences. For example, in the District, where 26.3 percent of the total acreage is owned by the federal government, the District loses an estimated \$400 million to \$1.1 billion a year in tax revenue. While that is significant, I ask D.C. dwellers to imagine the revenues being lost in my home state of Utah, where 66.5 percent of the land is federally owned. In fact, there are 12 Western states that rank above the District in federal land ownership, and they are losing billions in potential tax revenue each year. The enormous economic burden on local governments throughout the West is unbearable.

To make up for the shortfall, the federal government is supposed to compensate nearly 1,900 local governments in 49 states, including the District, under the Payment-in-Lieu-of-Taxes (PILT) program. This funding helps pay for essential services such as environmental compliance, law enforcement, health care, education, firefighting and search-and-rescue operations. Despite widespread acknowledgement of the program's importance and strong bipartisan support, PILT payments persistently fall substantially short of the amount that would be generated if the same lands were privately held and on county tax rolls, and far short of the costs those lands impose on local governments.

This year's budget proposal is no exception. The PILT request is for only \$200 million, a \$26 million cut from last year's appropriated level and \$150 million less than full funding. By not adequately funding PILT, the federal government forces citizens in public-lands states to pay more in local property taxes than other Americans.

The president should ensure that the federal land inventory he ordered last year is completed and that ownership of surplus and under-utilized land is transferred to the states. This will bolster Western economies by giving them more tax revenue and job-creation opportunities. In the meantime, the president should support a fully funded PILT program, so that rural communities can begin to support the services for which they rely on these payments.

The Congressional Western Caucus, an organization of nearly 60 members of Congress from the West, recognizes the need to sustain a vibrant Western economy for present and future generations. We applaud the president for his approach in the District of Columbia and urge him to consider the same for us out in the West.

Rep. Chris Cannon, Utah Republican, is chairman of the Congressional Western Caucus.